

U. S. Supreme Court, U. S.

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IN THE  
Supreme Court of the United States

OCTOBER TERM, 1920. NO. 342 57

JOHN SIMMONS COMPANY,

*Petitioner,*

*v.s.*

THE GRIER BROTHERS COMPANY,

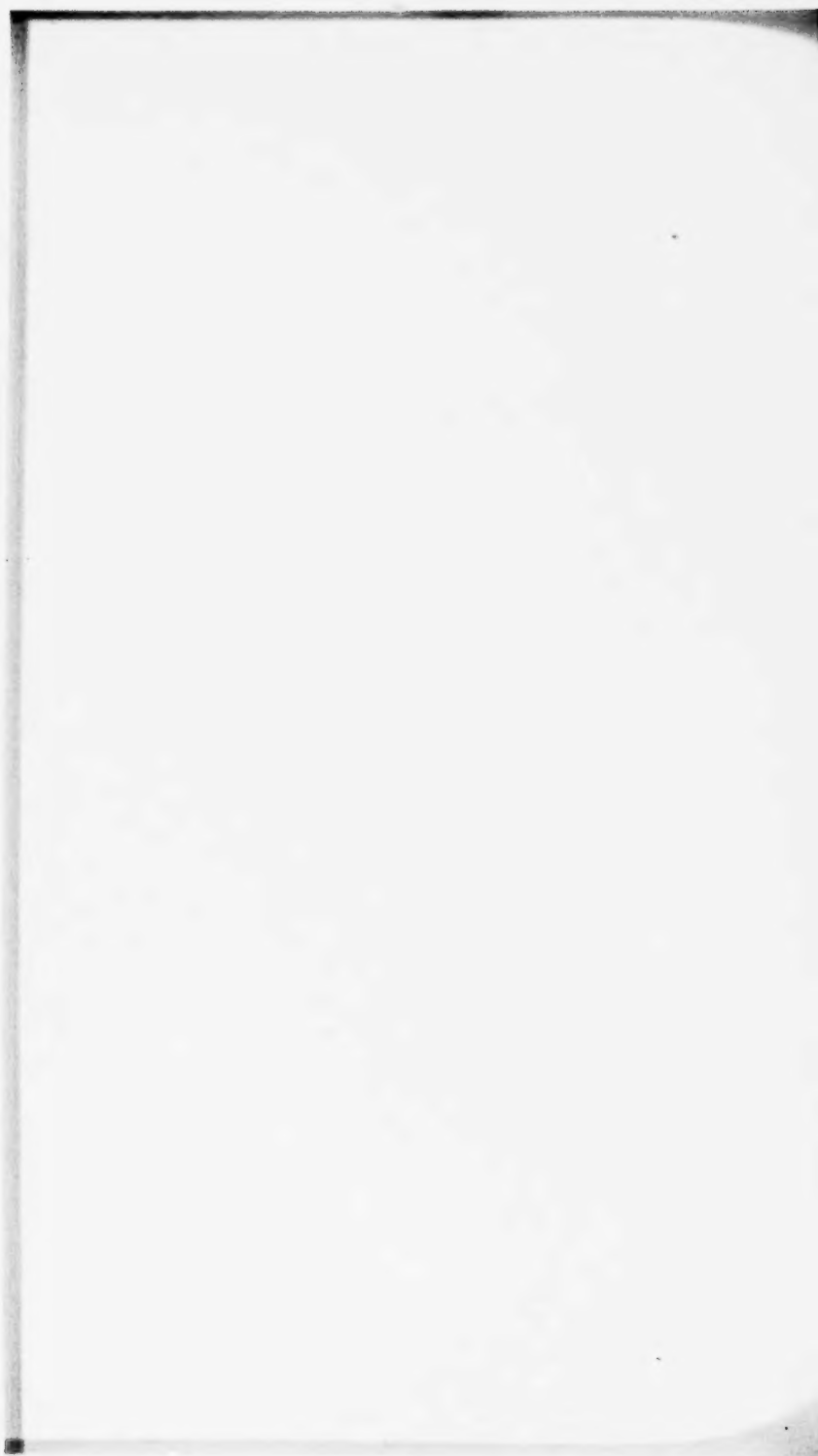
*Respondent.*

Writ of Certiorari to the  
United States Circuit  
Court of Appeals for  
the Third Circuit.

BRIEF FOR RESPONDENT.

C. P. BYRNES,  
GEO. H. PARMELEE,  
GEO. E. STEBBINS,

*For the Respondent.*



## INDEX.

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	PAGES
Questions Involved .....	1-1
History of the Case.....	1-7
Argument .....	8-11
Petitioner's Contentions Destructive of Judicial Stability .....	8-10
Alleged Facts do not Constitute Proper Ground for Bill of Review.....	10-21
Situation Here Not an Anomalous One.....	22-26
Plaintiffs Debarred by Own Acts from Filing Bill of Review, if Proper Basis Therefor Ever Existed .....	26-30
In No Event is Defendant Liable for Profits Prior to November 7, 1919.....	30-34
Petitioner's Authorities .....	35-39
Other Erroneous Positions of Petitioner.....	40-43
Conclusion .....	43-44

### CASES REFERRED TO:

Abercrombie & Fitch Co. et al. vs. Baldwin et al., 245 U. S., 198.....	10
Baldwin vs. Grier Bros. Co., 219 Fed., 560.....	4
Baldwin et al. vs. Grier Bros. Co., 215 Fed., 735....	5
Baldwin (Jno. Simmons Co. Intervener) vs. Aber- crombie & Fitch Co. (Justrite Mfg. Co. Inter- vener), 227 Fed., 455.....	5
Baldwin (Jno. Simmons Co. Intervener) vs. Aber- crombie & Fitch Co. (Justrite Mfg. Co. Inter- vener), 228 Fed., 895.....	6
Bleser vs. Baldwin, 199 Fed., 133.....	4

# INDEX—CONTINUED.

	PAGES
In re A. O. Brown & Co., 213 Fed., 705.....	11
Consolidated Rubber Tire Co. vs. Diamond Rubber Co., 157 Fed., 677.....	22
Consolidated Rubber Tire Co. vs. Diamond Rubber Co., 162 Fed., 892.....	23
Dowagiac vs. McSherry Mfg. Co., 155 Fed., 524.....	19
Gorman vs. Littlefield, 229 U. S., 19.....	15
Grier Bros. Co. vs. Baldwin et al., 219 Fed., 735....	5
Harburg vs. Arnold, 87 Mo. App., 328.....	20
Henry vs. Dick Co., 224 U. S., 1.....	36
Henry vs. Dick Co., 244 U. S., 651.....	36
Hill vs. Phelps, 101 Fed., 650.....	19
Hill vs. Chicago & Evanston Ry. Co., 140 U. S., 52	26
Home St. Ry. Co. et al. vs. City of Lincoln, 162 Fed., 133 .....	32
Hoffman et al. vs. Knox et al., 50 Fed., 484.....	17
Kessler vs. Eldred, 206 U. S., 285.....	24
King vs. Dundee Mortgage Co., 28 Fed., 33.....	19
Miller vs. Tyler, 58 N. Y., 477.....	19
Mitchell vs. Tilghman, 19 Wall., 287.....	12
Nat'l Brake & Elec. Co. vs. Neils Christensen et al., U. S. Sup. Ct. Adv. Op., Feb. 1-21, p. 1888.....	35
Omaha Elec. Light Co. vs. City of Omaha, 216 Fed., 848 .....	38
Scotten vs. Littlefield, 235 U. S., 407.....	10, 15, 29
Tilghman vs. Werk et al., 39 Fed., 680.....	12
Tilghman vs. Proctor, 102 U. S., 707.....	13

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**Supreme Court of the United States**

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OCTOBER TERM, 1920. NO. 312.

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JOHN SIMMONS COMPANY,  
Petitioner,

VS.

THE GRIER BROTHERS  
COMPANY,  
Respondent.

On Writ of Certiorari to  
the United States Circuit  
Court of Appeals for  
the Third Circuit.

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**BRIEF FOR RESPONDENT.**

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**The Questions Involved.**

This proceeding raises the following general question of the greatest and most vital importance, viz:

*Can a defendant, against whom an action for infringement of a patent has been dismissed pursuant to the decision of the highest court of his jurisdiction, be thereafter brought back into court by a bill-of-review and compelled to account for doing that which the decision of that court authorized him to do?*

The District Court of the United States for the Western District of Pennsylvania answered this question in the affirmative, contrary, we believe, to all the authorities. That decision was reversed by the Circuit Court of Appeals for the Third Circuit in the decision from which this petition was taken.

This suit was based on reissue patent No. 13541, granted March 11th, 1913. The structures manufactured by the defendant prior to the date of reissue had been specifically held not to infringe the original patent by the decision of the Circuit Court of Appeals for the Seventh Circuit in a suit brought against another defendant.

As to the infringing acts complained of against this defendant, subsequent to the grant of the said reissue, the bill of complaint was ordered dismissed by the Circuit Court of Appeals for the Third Circuit on the 22nd of June, 1915, and a final decree dismissing said bill as to all questions of patent infringement was entered on January 5, 1916.

This respondent has, therefore, been proceeding throughout in accordance with the decision of a Court of last resort; and, since the date of the reissue patent herein involved, under the decision of the highest court in its jurisdiction.

The petitioner, notwithstanding these facts, seeks to now hold the defendant to an accounting for all infringing structures made by it since the date of the reissue patent.

The question above stated is of the very widest importance because, if the position of the petitioner herein is sustained, no one acquitted in a patent case can ever be safe in proceeding in accordance

with the mandate of the highest court of his jurisdiction so long as there remains in the United States any circuit in which the patent has not been adjudicated. That is to say, so long as there remains anywhere the possibility of a case reaching this court, and of a decision by this court sustaining the patent involved, all other defendants are in jeopardy, notwithstanding any final decrees which they may have obtained in their favor in their own circuits. The judgment of the District Court for the Western District of Pennsylvania was destructive in the highest degree of that stability of judicial decisions which the Courts have always sought to maintain. The Circuit Court of Appeals for the Third Circuit, in the decision from which this petition is taken, correctly appreciated this danger. It found for the respondent as follows:

(1) That the facts alleged in the bill-of-review do not constitute proper ground for a bill-of-review.

(2) That the plaintiffs were debarred by their own acts from filing a bill-of-review, even if the proper basis therefor existed.

These two specific questions are directly raised by this petition.

The respondent also contends that in any event, no recovery can be had against it for any acts committed by it prior to the entry of the decree of November 7th, 1919, of the District Court of the United States for the Western District of Pennsylvania. This was the decree based on the bill-of-review, and up to that date the decree dismissing the bill as to infringement was in full force and effect.

## History of the Case.

The petitioner, or its predecessor Baldwin, first brought suit against one Bleser on the original Baldwin patent No. 821,580, in Illinois. In that case, the Court of Appeals for the Seventh Circuit, in April, 1912, held the patent not infringed by the Bleser Lamp (199 Fed. Rep., 133). The respondent commenced the manufacture of a lamp in all substantial respects similar to the Bleser Lamp, and at a time prior to the application for the Baldwin reissue herein involved. It believed that it could safely rely upon the decision of non-infringement in the Bleser case.

In February, 1913, Baldwin applied for a reissue of the said patent and this reissue was granted on March 11th, 1913. On October 10th, 1913, Baldwin brought the present suit under the reissue patent, joining in the bill of complaint allegations of infringement of said patent, and also of unfair competition in trade. At a preliminary hearing, the District Court for the Western District of Pennsylvania granted a preliminary injunction as to unfair competition, but reserved the question of patent infringement until final hearing (210 Fed. Rep., p. 560). At final hearing the District Court held claim 4 (the only claim as to which issue was raised by the petitioner) of the Baldwin reissue patent valid and infringed (215 Fed. Rep., p. 735). This respondent thereupon appealed to the Circuit Court of Appeals for the Third Circuit. That court affirmed the District Court as to unfair competition, but reversed the District Court as to the pat-



ent and held the reissue to be void (219 Fed. Rep., p. 735).

Pursuant to the mandate of the Court of Appeals, the District Court on January 5th, 1916, entered a decree, the sixth paragraph of which was as follows:

"6th. That the bill of complaint herein as to infringement of reissue letters patent No. 13,542 in suit B and the same hereby is dismissed."

That decree also ordered an accounting under the issue of unfair competition.

The mandate of the Court of Appeals was sent down on February 24th, 1915. Petitioner entered no decree on that mandate until January 5th, 1916, when a decree in accordance with the mandate was entered upon motion of petitioner's solicitors.

The petitioner made no effort to take the case to this Court on *certiorari*, but accepted as final the decision of the Court of Appeals dismissing the bill as to patent infringement and proceeded with the accounting on unfair competition, under the said decree of January 5th, 1916. That accounting is still pending.

In the meantime, on May 20th, 1913, the plaintiff brought suit on the same reissue patent in the Southern District of New York against Abercrombie & Fitch Company (Justrite Manufacturing Company, intervenor). In that suit Judge Mayer, of the District Court, held claim 4 of the reissue patent valid and infringed. His decision was dated February 5th, 1915 (227 Fed. Rep., 455). On appeal the lower court was affirmed by the Second

Circuit Court of Appeals on November 9th, 1915 (228 Fed. Rep., 895). Thereupon the *defendants* in the New York suit took a petition for *certiorari* to this Court. This Court in its opinion of December 10th, 1917, affirmed the decree of the Circuit Court of Appeals for the Second Circuit (245 U. S., 198).

On January 26th, 1918, the petitioner presented his petition in this case to the District Court for the Western District of Pennsylvania for leave to file a bill-of-review herein, such petition being based upon the decision of this court in the Justrite case. That petition was refused without prejudice to the right to renew the same after leave to file should have been procured from the Court of Appeals for the Third Circuit. Thereafter the petition was presented to the Court of Appeals for the Third Circuit, and that court, without hearing on the merits, referred the petition back to the District Court with leave to file.

The bill-of-review was filed on April 26th, 1918. The only testimony taken was that offered by the plaintiffs to prove the proceedings in the Abercrombie (Justrite) case and to identify the structure of the lamp involved in that case with the structure of the lamp here involved.

On October 7th, 1919, the District Court filed its opinion in which the bill-of-review was held to be a proper one and the relief prayed for was granted.

In that opinion, however, the District Court held that the accounting "should be limited so that it should not antedate the date of the filing of the bill-of-review, stating that the decision of the Court of

Appeals for the Third Circuit "was the law of the case between the parties, at least until proceedings were instituted to have it set aside."

Upon settlement of the decree, however, the District Court rendered a supplemental opinion (Rec., p. 48), in effect holding that it had been in error in so limiting the accounting; and in the decree of November 7th, 1919, an accounting was ordered without any limitation as to time (Rec., p. 49).

By that decree the defendant was required to account not only for the period prior to the decree on the mandate of January 5th, 1916, which dismissed the bill as to infringement; but it was also required to account for the entire period from January 5th, 1916, to November 7th, 1919. During that whole period it had been proceeding under a decree which dismissed the bill as to infringement.

Respondent commenced manufacture of the alleged infringing lamps long prior to the application for the reissue patent, as found by the Court of Appeals in its first decision (Rec., p. 7).

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## ARGUMENT.

1. Petitioner's contention is destructive of the stability of judicial decisions.

The decree of the District Court for the Western District of Pennsylvania of January 5th, 1916, dismissing the bill of complaint as to all questions of infringement of the patent in suit, and entered pursuant to the mandate of the Court of Appeals for the Third Circuit was, we submit, a final decree on the question of infringement; and was the settled law of this case as between these particular litigants. We find no reported case, and the petitioner has cited no case in support of this petition, in which a *defendant* after a final decree in its favor by the court of last resort in his jurisdiction, has ever been brought back, either by a bill-of-review or by any other proceeding, and compelled to account for doing that which the decision of that court authorized him to do.

If a defendant can be thus brought back after a final decree in his favor, it is manifest that he gains, in fact, little or nothing by such decree. If, so long (as in this case) there remains any circuit in the United States in which the patent in question has not been adjudicated, under petitioner's contentions, the defendant may at any time be faced with a bill-of-review and brought back into court for an accounting. No argument is, we submit, necessary to show that such a practice would be destructive of that stability of judicial decisions for which the courts of this and all other civilized countries have ever sought to attain. The effect of such a decision

upon the manufacturing business of this country would necessarily be highly unsettling, since no manufacturer acquitted of a charge of infringement could thereafter safely continue his business. The rights of every defendant in a patent case would necessarily remain unsettled until the expiration of the patent.

Infringement of a patent is a tort; and we submit that when a defendant has been charged with a tort and tried and cleared, he cannot again be attacked on the *same* charge. The principle of *autrefois acquit*, applicable to criminal cases, clearly applies in a situation like the present one. As we shall hereafter show, this has always been recognized by the Courts of this country.

The Court of Appeals for the Third Circuit in its decision herein complained of, clearly recognized this fact. In its opinion (Tr., p. 89), before taking up the main legal question involved, the Court of Appeals said:

"Before entering on that legal question, we note the unsettling effect such a holding would have on the whole system of patents, if a final decree holding a patent invalid can be vacated years afterwards because in a case between other litigants, in another jurisdiction, the same patent has been adjudged valid by the Supreme Court of the United States."

And again (Rec., p. 90):

"Such being the courses open to the plaintiffs before they procured the entry of this decree, we turn to the grave unsettling of patents which would follow if the stability and finality of a final patent decree once made is to be undermined by decisions subsequently made. For we are here dealing with the rights

of individual litigants. Whatever effect such subsequent decisions may have on other cases and other litigants, it must not be overlooked that every question, uncertainty of litigation or doubt as to future conduct, are all centered and finally merged in the stability of a final decree, and that such decree being entered it becomes the settled law as between these particular litigants."

2. The facts alleged in the bill-of-review do not constitute proper ground for a bill-of-review.

We respectfully submit that a bill-of-review does not lie under the particular facts of this case.

As stated by this court in *Scotten vs. Littlefield*, 235 U. S., pp. 407, 410:

"Bills of review are on two grounds; first, error of law apparent on the face of the record without further examination of matters of fact; second, new facts discovered since the decree, which should materially affect the decree and probably induce a different result. 2 *Bates' Federal Equity Procedure*, 762; *Street's Federal Equity Practice*, Vol. 2, 2151."

The sole basis for the present bill-of-review is the decision of this Court in the *Justrite case* (245 U. S., 198).

It has, we submit, been expressly held by this court that the contrary decision of another court does not constitute either error in law appearing in the body of the decree, or new matters of fact arising after the decree, for the purpose of a bill-of-review.

The Court of Appeals for the Third Circuit in the decision herein complained of, based its finding

to this effect on the decisions of this court, and held such decisions to be binding upon it (Rec., pp. 90-91), as follows:

"The two and only grounds for a bill-of-review, are, first, error of law apparent on the face of the record without further examination of matters of fact; second, new facts discovered since the decree which should materially affect the decree and probably induce a different result. *Scotton vs. Littlefield*, 235 U. S., 410. Such being the law as to bills-of-review, this case resolves itself into the question whether the subsequent decision of the Supreme Court on this patent at 245 U. S., 198, constituted one or both of such grounds. That it did not is, we think, decided by the Supreme Court itself in the case last cited, where that Court had occasion to pass on the question whether its decision in the *Gorman case*, 229 U. S., 19, made subsequent to a decree of the United States District Court, was a basis for a bill-of-review of the later case. That contention the Supreme Court met by holding '*Such subsequent decision will not lay the ground for a bill-of-review for errors of law apparent, or for new matter in pais discovered since the decree and probably requiring a different result.*' In support of that view, the Court refers to *Tilghman vs. Werk*, 39 Fed. Rep., 389, and *Hoffman vs. Knorr*, 50 Fed. Rep., 481. These cases, which have thus been adopted as expressive of the views of the Supreme Court, are decisive of the case before us." (Italics ours.)

The case of *Tilghman vs. Werk* (39 Fed., p. 680), is, we submit, an exact precedent for the present case. That case was a patent case in which the defendant won in the Court of Appeals; the Court in making its decision following the decision of this

Court in *Mitchell vs. Tilghman*, 19 Wall., 287, holding the plaintiff's patent to be invalid. Subsequently in the case of *Tilghman vs. Proctor*, (102 U. S., 707), this Court changed its views of the same patent, holding it to be valid. On the basis of the decision in *Tilghman vs. Proctor*, it was sought to obtain a bill of review in *Tilghman vs. Werk*. Judge Jackson (afterwards Justice Jackson), denying the application for a bill of review, said (p. 682):

"This last decision of holding of the Supreme Court, it is claimed for petitioner, constitutes new matter *in pais* occurring since the decree, and furnished a good ground for sustaining the petition as a bill of review."

Mr. Justice Jackson then said (p. 682):

"While the suits against respondents and against Proctor and Gamble were founded upon the same patent, it is not alleged in the petition that they had any connection with each other; they were separate and independent suits. Their only connection with each other rested in and upon the alleged agreement or understanding of counsel that *Tilghman vs. Werk* should await the result of *Tilghman vs. Proctor*. While the decision of the Supreme Court in *Mitchell vs. Tilghman* may have been the real ground on which this court bases its decree of April 9, 1878, that fact does not appear upon the face of the decree, and the question is presented whether a change of its ruling or decision by the Supreme Court on a question of law or fact, or upon a mixed question of law and fact, constitutes such new matter as will sustain a bill of review to vacate decrees of the Circuit Court pronounced before such change was made. We think, upon principle and authority, this proposition cannot be maintained. The cases cited and relied



on by counsel for complainant do not, in our opinion, sustain his contention. Such a rule would prolong litigation greatly, and render judicial decisions unstable in the highest degree. The weight of authority, as shown in the cases cited by counsel for respondents, is against this position of complainant's counsel."

The Court then discussed the alleged agreement to suspend action until *Tilghman vs. Proctor* could be decided, and held that the petitioner had not shown proper diligence to secure and preserve his remedy by appeal. The Court then said (pp. 683, 684):

"The application of complainant, made April 11, 1889, for leave to file bill of review herein should be refused. The only new or additional matter presented in the bill of review now asked to be filed is the alleged connection of respondent Werk with the suit against Proctor and Gamble. It is alleged that said Werk, and his counsel Collier, instigated that suit, or rather Proctor and Gamble's infringement of complainant's patent and the denial of his rights, and indemnified them in resisting complainant's claims. The affidavits of Werk and Collier, the parties implicated in said charge, fully met and explained the same, and show that the allegation is not well founded. But, aside from that, this connection of Werk and Collier with the Proctor and Gamble suit, and the defense thereof, was known to complainant as early as 1881. It is now too late for him to rely upon that alleged fact. He is repelled by his *inches* from invoking any relief on that ground, even if it were otherwise a good ground. All other matters set out in the bill of review now sought to be filed are the same as those presented in and by the petition filed in 1881, and already noticed and disposed of.

Leave to file said bill of review is accordingly denied, with costs of the motion."

It will be noted that the precise question here involved arose in that case, since the Court, in the first of the above quotations, said:

*"The question is presented whether a change of its ruling or decision by the Supreme Court on a question of law or fact, or upon a mixed question of law and fact, constitutes such new matter as will sustain a bill of review to vacate decrees of the Circuit Court pronounced before such change was made."*

Judge Jackson answered this question in the negative. Moreover, his decision was cited with approval by this Court in the recent case of *Scotten vs. Littlefield*, 235 U. S., 407, which also forms a complete precedent for the present case.

In the *Scotten vs. Littlefield* case the decisions of the District Court and the United States Circuit Court of Appeals for the Second Circuit appear in 213 Fed. Rep., pp. 701-5, under the title "*In re Brown et al.*" and "*In re A. O. Brown & Co.*"

In that case, the facts were as follows:

The firm of Brown & Co. was in bankruptcy. Scotten filed a claim for reclamation of certain shares of stock which the bankrupts had held as security. The special master denied the petition, and his decision was affirmed by the District Court. An appeal was then taken to the Court of Appeals for the Second Circuit, alleging error of the District Court in holding that the petitioners had not sufficiently traced and identified their property. The Court of Appeals affirmed the District Court (193 Fed., 34); and this Court affirmed the Court of Appeals (226 U. S., 110).

In a separate proceeding one Gorman raised a similar claim with reference to other shares of stock. This was denied by the lower tribunals, and their decision was affirmed by the Court of Appeals for the Second Circuit on the ground that the claimant had not sufficiently identified his stock (184 Fed., 454). From that decision an appeal was taken to this Court which held that there *was* sufficient proof of identity of the stock and reversed the decisions of the lower tribunals. (*Gorman vs. Littlefield*, 229 U. S., 49.)

The claimants in the *Scotten* case then filed a bill of review, alleging that if the rule enunciated in the *Gorman* case had been applied in their case, their claim would be held proved.

The motion for leave to file was denied.

In the Appellate decision (213 Fed., 705), the Court of Appeals, Second Circuit, by Judge Lacombe, affirming Judge Hand, recited the facts in the *Gorman* case, in which the Court of Appeals was reversed by this Court, and stated that:

"It is the theory of these claimants that if the rule enunciated in *Gorman vs. Littlefield* had been applied to the facts in their cases it would have been held that as to their steel stock identity had been proved. They therefore bring this bill of review which in substance and effect prays for a retrial of their respective claims."

The case was then taken to this Court, and we quote from its decision in *Scotten vs. Littlefield*, 235 U. S., 407, as follows (p. 410):

"Both courts below put their decisions on the ground that the appeal to the Circuit Court of Appeals from the original order of the Dis-

trict Court in the reclamation proceedings really involved the claim for the United States Steel stock in its present aspect, and that if not presented to the Court of Appeals when there on appeal it could not be held back and made the subject of a bill of review, as is now attempted to be done. We think this decision was clearly right. Furthermore, the ground alleged for the bill of review now is, that the principles which determined the disposition of the *German Case*, 229 U. S., 19 (decided May 26, 1913, a little more than two years after the decree in the District Court), reversing the Circuit Court of Appeals in the same case, 175 Fed. Rep., 769, would, had they been applied in this case, have required a different result in the District Court in dealing with the original petition in reclamation, so far as the three hundred shares of the United States Steel stock, pledged with the Hanover National Bank, are concerned.

Bills of review are on two grounds: first, error of law apparent on the face of the record without further examination of matters of fact; second, new facts discovered since the decree, which should materially affect the decree and probably induce a different result. *2 Bates' Federal Equity Procedure*, 762; *Street's Federal Equity Practice*, Vol. 2, 2151.

If the decision in the *German case* would have required a different result if the principles upon which it was decided had been applied in the original proceeding, which we do not find it necessary to decide, *such subsequent decision will not lay the foundation for a bill of review for error of law apparent, or for new matter in pais discovered since the decree, and probably requiring a different result.* *Tilghman vs. Werk*, 39 Fed., 680 (opinion by Judge Jackson, afterwards Mr. Justice Jackson of this court); *Hoffman vs. Knorr*, Circuit Court of Appeals, Fourth Circuit, 50 Fed., 181,

491 (opinion by Chief Justice Fuller). The decree of the Circuit Court of Appeals is affirmed." (Italics ours.)

In this decision, therefore, this Court unequivocally holds that a subsequent contrary decision of this Court will not lay a foundation for a bill of review, either for error of law apparent, or for new matter. This Court also specifically approved *Tilghman vs. Werk, supra*.

In the case of *Hoffman vs. Knorr*, 50 Fed., 484 (cited in *Scotten vs. Littlefield*), the Court held that where a decree fixes the priority claims against an insolvent corporation under the authority of an act of a State Legislature, the question of the validity of the act not being raised at the time, a bill of review will not lie for apparent error, because the act is subsequently adjudged unconstitutional and void by the state Courts on the ground of a defective title and although such a decision is usually as conclusive as a ruling of the Supreme Court itself. This decision was written by Chief Justice Fuller of the Supreme Court when he was sitting in the Court of Appeals for the Fourth Circuit.

Mr. Justice Fuller said (p. 491):

"Undoubtedly the courts of the United States, as a general rule, properly follow the construction placed upon the constitution or laws of a state by the decisions of its highest tribunal, unless they conflict with or impair the efficacy of some provision of the federal constitution or a federal statute or a rule of general commercial law (*Gormley vs. Clark*, 134 U. S., 328, 348, 10 Sup. Ct. Rep., 554); but this rule cannot be applied where the construction contended for has not been announced

at the time of the final adjudication by the United States Court, so as to make the latter erroneous on its face by relation. On the other hand, we cannot find that these bondholders raised any question whatever as to the validity of these laws, but on the contrary, the exceptions they filed were directed to throwing out particular claims as not within the terms of the statutes, or claims in whole or in part as barred thereunder. It is a general rule that a bill of review will not lie to impeach a consent decree. *Thompson vs. Maxwell*, 95 U. S., 391. And if these complainants chose to acquiesce in the allowance of these claims under these statutes, they had a perfect right to do so, but ought not now to be allowed, in view of a decision rendered eighteen months after this decree, to say that error was committed in particulars which they waived by their conduct. They could not approbate and reprobate at the same time, and, in the interest of the stability of judicial decision, their want of diligence ought to be held fatal to their application."

\*     \*     \*     \*     \*

"It does not appear that these complainants had performed the previous decree when their bill of review was permitted to be filed. On the contrary, they objected that the second payment then due might be disbursed under the prior decree, and it would be impossible for them to reconp. Nor did they ask that the sale be set aside, nor in any manner offer to place these creditors in the same situation that they occupied before that decree was entered; but, after having proceeded upon the theory of the validity of these laws, they came forward with their bill of review to obtain a reversal of so much of the decrees as was opposed to their interests, leaving what was made in their favor to stand. We are of the opinion that they were called upon to present their conten-

tion before, if they intended to insist upon it. Cases are not to be tried by piecemeal, and it would open a wide door to persistent litigation if parties should be permitted to lie back, and then renew controversies in this manner.

The decrees of the circuit court appealed from are reversed, and the cause remanded, with a direction to dismiss the petition for rehearing or bill of review, and for further proceedings upon the basis of the finality of the decrees of September 8 and October 14, 1887, in conformity to this opinion."

To the same effect is *King vs. Dunder Mortgage & Trust Investment Co.*, 28 Fed., 33, where the syllabus says:

"A decree of the United States Circuit Court will not be reversed, on a bill of review therein, because in the meantime the state court has put a construction on a clause of the state constitution contrary to that of the circuit court in making said decree."

See also *Hill vs. Phelps*, 101 Fed., 650, and *Dowagiac vs. McSherry Manufacturing Co.*, 155 Fed., 524, citing *Hill vs. Phelps*, etc.

The State Courts also follow the same principles in refusing to re-open a previously tried suit because of a subsequent contrary decision in another case. In the case of *Miller vs. Tyler*, 58 N. Y. 477, 480, the Court said:

"By the consent, or, which is the equivalent of a consent, by the default of the appellants and their voluntary act in omitting to oppose the motion, the judgment was modified so as to entitle the plaintiffs to coin at their option, instead of legal tender notes, in payment of the mortgage debt. This was in conformity to the legal rights of the parties, as then well understood, and as they had been adjudicated by the

highest court of the nation. The reconsideration of the question by the Supreme Court of the United States, with a result adverse to its first judgment, did not affect the existing judgments of State courts, or call for a modification and change of their records to meet the changed views and judgment of that court. A contrary doctrine would lead to the absurd necessity of correcting and modifying all judgments, whether existing and in force or satisfied and fully executed, upon the annunciation by a court of superior authority of a doctrine in conflict with and legally subversive of the principles upon which they were rendered."

In *Harburg vs. Arnold*, 87 Missouri Appeal Reports, 328-329, the Court said:

"But if anything further may be said in order to put the question beyond dispute, it is: that there must be an end to litigation, and that when a litigant has once been heard in the trial court, judgment rendered against him, and appeal had to the highest court under the organic law of the land to which he may go, and that judgment fully, in all essentials, affirmed, he cannot be permitted to renew his contention under the specious plea that the constitutional right which the appellate court was bound to follow committed an error in the first place."

The petitioner tries to distinguish from the above cases by the specious argument that in the case at bar there was error *ab initio* in the original decree of the Third Circuit Court of Appeals, whereas in the cited cases the original decrees were correct and were afterwards made erroneous by subsequent controlling decisions. The fallacy of this argument is apparent. If the reasoning applied by the petitioner to this case is applied to the cited cases, it would seem that the original decrees in the cited



cases would have to be considered erroneous. If the second decision of this Court in the *Tilghman vs. Proctor* case was correct, then the previous decision in the *Mitchell vs. Tilghman* was wrong and was wrong *ab initio*. In the case of *Hoffman vs. Kaur* the statute was unconstitutional from the beginning. The decision of the Court did not make a constitutional statute unconstitutional, but merely declared its unconstitutionality.

These cases are on all fours with the present case in holding that a subsequent contrary decision in another suit is not a ground for a bill of review to bring back and re-try a previously-acquitted defendant upon the same charge.

We submit that the authorities are decisive upon the question here presented, and that the Court of Appeals was correct in stating it was following the decisions made or approved by this Court. We have been unable to find any case, and we believe no case exists, wherein a defendant in a case in tort having first been absolved by a final decree, has been subsequently brought back into court and held under the same charge.

While the petition to this Court alleges that the bill of review is based on an *error of law* appearing on the face of the decree of January 5, 1916, an examination of the bill of review shows that it contains no allegation of error of law. On the contrary, the bill of review recites as its sole basis "that new facts have arisen since said decree was entered" (Paragraph 6, Tr. p. 19). The petitioner's shift to another theory now is virtually an admission that the "new facts" so alleged in the bill of review are not a proper basis therefor.

### 3. The situation here is not an anomalous one.

The petitioner seems to contend that the situation in this case is an anomalous one and that the decision of the Third Circuit Court of Appeals is destructive of its rights granted it under the Patent Statutes. As a matter of fact, a similar situation has arisen in a number of reported cases and the Courts have been exceedingly careful to protect the rights of a defendant under a final decree although the effect of it was to deprive the plaintiff of a part of his patent monopoly. The Courts have recognized the rights of a defendant under a final decree holding a patent invalid even where by a subsequent decision by this Court the patent was afterward found to be valid. This is exactly the situation here. In fact the present position is one that is inevitable in our patent system, and is one that is well recognized where there have been conflicting decisions in different circuits. We need only refer to a few reported instances:

In the celebrated *Rubber Tire Case*, the decision of the Court of Appeals for the 6th Circuit in the *Goodyear Case* holding the patent in suit invalid had become final. In the subsequent litigation in the New York Circuit, which resulted in the same patent being sustained by the Circuit Court of Appeals and this decision being affirmed by this Court on *certiorari*, it was expressly recognized by the Courts that no decree which these Courts might make could affect the tires manufactured and sold by the Goodyear Tire & Rubber Company, as the decree releasing that Company had become final. Thus, in the suit of *Consolidated Rubber Tire Company vs. Diamond Rubber Company*, which in-

volved that patent, the Court of Appeals for the Second Circuit, in reviewing an order for preliminary injunction, approved the action of the lower court in causing the following paragraph to be inserted in the injunction order:

"Nothing in this injunction order shall prevent, or is intended to prevent or enjoin, the defendant from handling, using, or selling rubber tires and rims covered by the Grant patent, \* \* \* manufactured by the Goodyear Tire & Rubber Company, having a right to manufacture, use and sell such tires under a judicial decree in a litigation in the federal courts in the District of Indiana heretofore pending between this complainant and such parties, wherein it has been judicially determined that said Grant patent is invalid and void." (*Consolidated Rubber & Tire Company vs. Diamond Rubber Company*, 157 Fed., 677, 680.)

When the case again came before the Court of Appeals for the Second Circuit on appeal from final hearing, the same clause was again approved in the decree. On rehearing, the Court of Appeals ordered the decree amended to include the following:

"Nothing in this injunction shall prevent or is intended to prevent, or enjoin this defendant from handling, using and selling rubber tires and rims covered by the Grant patent, manufactured by the Goodyear Tire & Rubber Company, having a right to manufacture, use and sell such tires under a judicial decree in the federal courts of the Sixth Circuit; or manufactured by the Kokomo Rubber Company, having a right to manufacture, sell and use such tires under a judicial decree in the district of Indiana, Seventh Circuit; or manufactured by the Victor Rubber Tire Company,

under a judicial decree in a litigation in the federal courts in the Sixth Circuit, wherein in such litigations it has been judicially determined that the said Grant patent is invalid and void." (*Consolidated Rubber Tire Co. et al. vs. Diamond Rubber Co.*, 162 Fed., 892-895.)

The Court in thus limiting these decrees followed the decision of the Supreme Court of the United States in *Kessler vs. Eldred*, 206 U. S., 285. In that case, Eldred, who owned a patent, sued Kessler, a manufacturer of electric cigar lighters, in the District of Indiana. Non-infringement was found and the bill dismissed. That decision became final. Afterwards Eldred brought suit against another Kirkland, manufacturer of similar devices, in the Western District of New York, and prevailed in the Circuit Court of Appeals for that Circuit. Eldred then sued Breitweiser, a user of Kessler lighters in the same New York District. During the pendency of the last named suit, Kessler filed a bill in the Northern District of Illinois, in which he prayed an injunction against Eldred to enjoin him from prosecuting any suit against any one for alleged infringement of the patent by purchase, use or sale of any cigar lighter manufactured by Kessler and identical with the lighter in evidence before the Court in the first suit. This Court held that the *original judgment conclusively settled the right of Kessler to manufacture and sell his manufactures free from all interference by Eldred by virtue of the patent there adjudicated, and granted the relief prayed for.*

In the *Rubber Tire case*, it will be seen that, notwithstanding the patent had been declared valid by this Court, the Courts refused to disturb the

original judgment in favor of Goodyear and others in the Sixth Circuit.

In the *Kessler case*, notwithstanding the patent had been found valid and infringed by the same device in the Second Circuit, this Court expressly held that Kessler and all his customers were *forever freed* from disturbance under this patent, by reason of the final decree in the first suit against Kessler.

We submit that the only difference, if any, between the present case and these cases just referred to consists only in the fact that the decree against this present defendant was not, *as a whole*, final; although it *was final* insofar as the validity and infringement of the patent in suit was concerned. The only issue as to which it was not final is that of unfair competition, in which an accounting was ordered. The accounting questions, however, were the only questions open in this case.

The case originally involved two branches, one for the infringement of the Baldwin patent and the other for unfair competition in the sale of the defendant's miners' lamps. These two branches of the case were severable and independent of each other.

The decree dismissing the bill as to the patent completely and finally disposed of the patent infringement branch of the suit. No further judicial action as to the patent was required. Neither was there any further question reserved as to the patent.

As stated by Blackstone (3 Black, Comm. 398) :

"Final judgments are such as at once put an end to the actions, by declaring that the plain-

tiff has either entitled himself, or has not, to recover the remedy he sues for."

The finality of a decree as to the matters finally determined by it is not affected by the fact that there may be a further *severable* matter left to be determined. *Hill vs. Chicago and Evanston Railroad Co.*, 110 U. S. 52.

4. The plaintiffs are debarred by their own acts from filing a bill-of-review if a proper basis therefor ever existed.

The Court of Appeals for the Third Circuit based its decision mainly upon the ground, that the subsequent decision of this Court in the *Abercrombie & Fitch case*, sustaining the Baldwin patent, was not a basis for a bill-of-review to upset the decree previously entered in the case against the present defendant, The Grier Brothers Company.

The bill-of-review in this case was carefully considered by the Court of Appeals. It was, of course, addressed to the sound discretion of that court. After full consideration, that Court found that the circumstances of this case were such that it would be most inequitable to grant the petitioner the relief prayed for in said bill. The Court of Appeals further found that the situation of which the petitioner complains was largely of its own making, and that the doctrine of equitable estoppel applied against the petitioner. The bill-of-review being addressed to the equitable discretion of the Court of Appeals, its decision thereon manifestly should not be disturbed unless it has abused its equitable discretion. We submit that there is nothing in

its decision which evidences any such abuse; but, on the contrary, that court very carefully considered the equities between the parties hereto, as well as the legal doctrine to be applied, and that its finding that the equities were with the defendant rather than with the petitioner was not only entirely within its discretion but was correct.

The Court of Appeals said (Rec., pp. 88-89.)

"It will be noticed from the recital of the different steps in this litigation, that the situation is one of the plaintiffs' own creation. After the decision of this Court was made but before its mandate went down, the plaintiffs knew of the decision of the District Court in the case in the Second Circuit, but they made no request to this Court to withhold its mandate. After the mandate went down and before, a decree pursuant thereto had been entered in the Court below, they knew of the affirmance of the latter case by the Circuit Court of Appeals of the Second Circuit, and that the two Circuits were in conflict, but they made no requests to either Court in this Circuit to have the entry of a decree withheld. On the contrary, with knowledge that the Supreme Court had on December 29, 1915, under consideration a petition for *certiorari* in the case in Second Circuit, the plaintiffs became the actors in the quiescent case in this Circuit, and without advising the Court of the pendency of the matter in the Supreme Court, they prepared and on their motion had entered on January 5, 1916, the decree of dismissal, and thereafter, when the Supreme Court had on January 10, 1916, granted the *certiorari*, they allowed the term to end without any move to suspend, open or vacate the said decree of January 5, 1916. Under such circumstances, and in view of the fact that the

entry of the decree at once gave them affirmative relief on their cause of action for unfair competition, it is quite manifest that the plaintiffs themselves and of their own motion, and without compulsion from anyone, chose to change the status of the case by themselves causing the decree, of which they afterwards complained, to be entered. At the time they prepared and had the decree entered, they knew the situation was one where they were making possible the bringing about of just such a situation as they now complain of. Such being the facts, the plaintiffs themselves, by their own course, brought about this situation. We start with the fact that if seeming hardship ensues, the plaintiffs and not the law have brought it on themselves."

And again (Rec., pp. 89-90):

"Nor must we be misled by the at first sight seemingly grave situation of a patentee whose patent has in one Circuit been adjudged valid by the Supreme Court, at the same time adjudged invalid by a Circuit Court of Appeals in another Circuit. For such a situation is not one either created by law but wholly by the plaintiffs not availing themselves of the opportunity the law afforded them of preventing it. For, when the Circuit Court of Appeals of the Second Circuit held this patent valid and infringed, and there was a conflict of decision between two Circuit Courts of Appeals, such situation gave the plaintiffs reasonable ground for applying to the Supreme Court for a *certiorari* to review the adverse decree of this Court. We do not say the plaintiffs were bound to do so; we only say they could have so petitioned, and if an anomalous situation has arisen it is not because the law created it, nor is it a fault of our patent system, but it is one that might have been avoided by acts of commission or omission of the plain-



tiffs, (a) in petitioning the Supreme Court for a *certiorari* of the Third Circuit case, when on November 9th, 1915, the Circuit Court of Appeals of the Second Circuit held the patent valid and infringed; (b) by applying to the Circuit Court of Appeals of the Third Circuit, when on December 20th, 1915, the Supreme Court was petitioned for a writ of *certiorari*, to withhold entry of its decree pending action by the Supreme Court; and (c) by the plaintiffs abstaining from entering the decree of dismissal in the lower Court until the Supreme Court acted."

Plaintiffs made no attempt to petition for a writ of *certiorari* after the former decision of <sup>the</sup> ~~the~~ <sup>the</sup> ~~the~~ Court in January, 1915. The mandate of <sup>the</sup> ~~the~~ <sup>the</sup> ~~the~~ Court <sup>of Appeals</sup> was filed in the lower Court February 24, 1915. Plaintiffs made no move to even enter a decree on the mandate until January 5, 1916,—nearly eleven months after the mandate was filed.

In the *Abercrombie and Fitch* case, it was the defendant who took the petition which resulted in the case being considered and decided by the Supreme Court. If the defendant in that case had not taken it to the Supreme Court, the ground upon which the bill of review herein is founded would not have existed. In other words, it is through no merit of the plaintiffs that the condition which the plaintiffs now rely upon exists.

In *Scotten vs. Littlefield*, *supra*, the District Court in commenting upon claimant's failure to appeal said (213 Fed., 763):

"It is true they felt bound by the decision of the Circuit Court of Appeals, but an appeal to the Supreme Court was as open to them in this case, as it was in Gorman's."

The bill of review was filed April, 1918, more than two years after the decree on the mandate. That decree was final, in so far as the issue of infringement is concerned; the only question left undetermined in the case being the amount to be paid by defendant under the issue of unfair competition. This was a separate and distinct issue, no appeal as to which could possibly again raise the question of infringement.

Counsel for petition is in error in the statement contained on page 19 of its brief that a writ of *certiorari* could not have been applied for in this case until a decree on the mandate in the Court of Appeals for the Third Circuit had been entered. The present statute requires a petition for a writ of *certiorari* to be presented within ninety days from the decision complained of; and it is the practice in some of the Court of Appeals, at least, to stay its mandate pending the outcome of a *certiorari* petition. In fact, according to the present record, petitioner filed its application for this writ before the mandate of the Court of Appeals was sent down.

5. In no event can defendant be held for profits and damages prior to the decree of November 7, 1919.

The decree of the District Court, which was reversed by the Court of Appeals in the decision upon which petition was taken, contained no limitation as to the accounting period, but required a full accounting by the defendants of all profits and damages (Tr., p. 44).

By this proceeding, the petitioner seeks to give effect to said decree.

The decree of January 5, 1916, which dismissed the bill of complaint on the issue of patent infringement was, we submit, clearly the law of the case between the parties, at least until some proceedings were instituted to have it set aside. If the patent in suit could ever again have any force against this respondent, after the said decree of January 5, 1916, it could only be by reason of a further decree; and any liability of this defendant must necessarily begin with the entry of the new decree, namely the decree of November 7, 1919.

It is, we submit, inequitable beyond belief that this defendant can now be made to account for doing that which under the mandate of the Court of Appeals of the Third Circuit it was expressly authorized and permitted to do during the entire period in question.

The District Court was originally of this opinion, since in its opinion, it stated (Tr., pp. 42-43).

"Plaintiffs are entitled also to an accounting for such infringement, *but such accounting should be limited so that it should not antedate the date of the filing of the bill of review*, for the decision of the Court of Appeals for the Third Circuit was the law of the case between the parties, at least until proceedings were instituted to have it set aside."

In the supplemental opinion (Tr., p. 43) the District Court, however, changed its views and held that upon the vacation of the original decree:

"The parties must be held to be in the same position in which they would have been had

the original decree not been founded upon error, but had been in terms like the decree now to be entered."

The District Court therefore entered its decree of November 7th, 1919, without any limitation as to the accounting period.

It has been repeatedly held by the authorities that a bill of review is not to be considered as a continuance of the former bill, but is in the nature of an original bill.

Thus, in *Home St. Ry. Co. vs. City of Lincoln*, 162 Fed., 133, 138, the Court said (p. 138):

"A bill of review is not considered as a continuance of the former bill, but in the nature of an original bill. It prays for process, and an appearance to it is enforced in the same manner as to an original bill. *Story, Eq. Pl.* (9th Ed.), 383, 403; *2 Dan. Ch. Pr.* (6th Am. Ed.), 1575; *3 Dan. Ch. Pr.* (6th Am. Ed.), 2065; *2 Hoff. Ch. Pr.*, 10; *Lube Eq. Pl.* (Rapalje Ed.), 283; *Fletcher Eq. Pl.*, 919, 934, 941; *Curtis Eq. Proc.* (4th Ed.), 124; *2 Bates Fed. Eq. Pro.*, 711, page 764; *1 Foster Fed. Pr.*, 356; *Cole vs. Miller*, 32 Miss., 89, 101; *Webb vs. Pell*, 1 Paige (N. Y.), 564; *Heermans vs. Montague* (Va.), 20 S. E., 899, 902."

The District Court considered the defendant's situation in this case comparable to that of a party who relies upon the decision of a lower court, which is subsequently reversed by an appellate court. The District Court said (Rec., p. 43):

"Reliance upon a decree of a lower court which is subsequently reversed by the Appellate Court has not been held to save the party so relying from the consequences of a reversal by the Appellate Court. And so with proceedings by bill of review."

We submit that the District Court here was attempting to compare two entirely dissimilar things. In the case supposed by the District Court, the proceedings are all in the same case, and naturally no party to a cause would be justified in relying upon the decision of a lower court from which an appeal had been taken to an appellate tribunal. In the present case, however, the proceedings which gave rise to this bill of review were had in an entirely separate case, to which this defendant was not a party and as to which this defendant had no notice nor was under any obligation to take notice.

The case of a defendant is a hard one, indeed, if after a final decree in his favor by the highest court of his jurisdiction he must take notice of all proceedings which may arise in any of the nine circuits of the United States, and cease operations during their pendency, in order to escape the possibility of a condition such as has arisen in this case. If such is the law, patents, instead of stimulating manufacture, will have precisely the opposite effect.

Counsel for petitioner, in support of his contention that the accounting must cover the entire infringing period, likens the case to an action between A and B as to ownership of a building, in which a court of last resort found the title in A and subsequently, on a bill of review, reverses its former judgment and finds the title in B. He argues that A would be liable to repayment to B of the profits received by A under the first decision. Counsel for petitioner, however, ignores the fact that in the present case, if the original decision had been in favor of the plaintiff, the defendant would thereupon have ceased the acts complained of, and no

profits or damages would thereafter have arisen. In the supposed case, A has simply retained the land and received its income. In the present case, however, respondent has been authorized and permitted by decree of the court to continue to build up its business and thereby, under petitioner's contention, to increase its liabilities. Petitioner's contention is that the defendant must now be penalized for doing that which the Court of Appeals authorized and permitted it to do. Assuredly, when the Court of Appeals ordered the bill against this respondent to be dismissed, and petitioner pursuant thereto itself dismissed the bill as to patent infringement, the respondent had every right to continue its manufacture; and we submit that no court of equity should penalize the respondent for so doing, as the entire question of profits and damages is one which is largely within the discretion of the Court. As found by the Court of Appeals, the present situation is one for which the plaintiff is itself responsible; and as between the parties the greater equities are clearly with the respondent. The plaintiff, by dismissing the bill as to patent infringement, led the respondent to believe that this question was finally settled, and that respondent had every right to proceed with his manufacture. Plaintiff, by its own acts, is therefore estopped to mulct respondent for doing that which in effect it authorized respondent to do. Instead, therefore, of taking from petitioner and turning over to respondent the profits which have accrued because of infringement, as it alleges, the petitioner is seeking recovery from the defendant of alleged profits which would not have accrued if the bill had not been dismissed as to patent infringement.

## Petitioner's Authorities.

*National Brake & Electric Co. vs. Neils Christensen and Allis-Chalmers Co.* (U. S. Sup. Ct. Adv. Op., Feb. 1, 1921, p. 188):

Petitioner relies mainly on this case, which has been decided since the issue of this writ. The situation, however, in the present case and that in the cited case are directly opposed. In the cited case, the *defendant* filed a bill of review seeking to give effect to a final decree in another suit to which it alleged it was privy. This court reversed the decree of the Circuit Court of Appeals for the Seventh Circuit, dismissing the bill, and held that the bill was addressed to the sound discretion of the appellate tribunal, and should be decided from considerations "*addressed to the materiality of the new matter and diligence in its presentation.*" As we understand it, the whole ground of the decision in the cited case was, that the Court of Appeals erred in its holding that the decree in question was a final one, and in refusing to permit the bill of review to be filed. This Court expressly stated that it did not pass upon the merits of the bill of review, but left that to be passed upon by the lower court.

In the present case, the Court of Appeals for the Third Circuit followed exactly the practice which this Court held the proper one in the cited case. It directed the District Court to receive the bill of review and pass upon its merits. This was done, and upon appeal the Court of Appeals considered the bill on its merits and ordered its dismissal. The decision of the Court of Appeals for the Third Circuit herein complained of is therefore not contrary

to the decision of this Court in the cited case, as alleged by the petitioner, but is directly in accord therewith in all respects.

Furthermore, in the cited case, one of the issues of the bill of review was the privity of the defendant therein with the defendant in a case in another circuit. In the instant case, there is and can be no question of privity, as the defendant herein has absolutely no connection with the defendant in the *Abercrombie and Fitch* case.

Another important distinction between the cited case and the instant case is that in the former the bill of review was filed by the *defendant*, which had previously been adjudged to infringe, in an attempt to avail itself of the adjudged invalidity of the patent. As we have elsewhere shown, no case has been found, and no case is cited by the petitioner, in which a defendant has ever by a bill of review been brought back into court after a final decree in his favor and compelled to submit himself to an accounting for his actions under such decree. We believe that there is a vital distinction in law between the position of the present defendant and that presented by the usual bill of review.

*Henry vs. Dick Co.*, 244 U. S., 651:

Counsel for petitioner argues that the decision herein complained of is contrary to the practice authorized by this court in the above case.

In the original *Henry vs. Dick* case (224 U. S., 1), the defendant, Henry, was held to be guilty of contributory infringement and a decree and injunction were entered by the plaintiff against him. The defendant, who later brought the bill of review



against this decree, did not enter the decree of his own volition, but as a defeated party was compelled to accept it. In the case at bar, the present petitioners had entered the decree which they now attempt to upset by a bill of review, and as we above pointed out, they had this decree entered at the very time when the defendant in another suit had a petition for *certiorari* pending before this Court on the same patent.

Moreover, in the case of *Henry vs. Dick* (244 U. S., 651), cited in the petition, the facts were precisely the reverse from those which exist here. In that case the defendant was under perpetual injunction not to do a thing which all other persons could lawfully do after the decision in the original case of *Henry vs. Dick* (224 U. S., 1) had been overruled by this Court in the case of *Motion Picture Patents Co. vs. Universal Film Co.* (242 U. S., 502). This Court in granting the motion for leave to file the bill of review took an opportunity to correct that peculiar and anomalous situation. In the present case, however, the defendant has been cleared of the charge against him by the plaintiffs entering the decree dismissing the bill as to the patent infringement. Defendant is, therefore, forever, immune. The case of *Henry vs. Dick* is in line with other cases in which a *defendant* in view of newly discovered evidence has been permitted to file a bill of review for his relief. As above stated, however, we find no case in which plaintiff has been permitted to file a bill of review, the effect of which would be to bring the defendant back into Court and hold it for the very offense of which it has been acquitted.

The situation of the present defendant is not an

anomalous situation as was that of the defendant Henry in the *Henry vs. Dick* litigation. When a defendant has been charged with a *tort* and tried and cleared, he cannot again be attacked on the *same* charge. The principle of *autrefois acquit*, applicable to criminal cases, applies in a situation like the present one.

*Omaha Electric Light Co. vs. City of Omaha*, 216 Fed., 848:

In the Omaha case (216 Fed., 848), a suit was brought by the Omaha Electric Light Company to enjoin the City of Omaha from interference with its power transmitting wires. The Court of Appeals for the Eighth Circuit held that the plaintiff's franchise had expired and refused to interfere with the action of the City. An appeal to this Court was dismissed because this Court held that no federal question had been raised. The Old Colony Trust Company, trustee under a mortgage of the Electric Light Company's property, brought suit against the City for the same purpose. The Court of Appeals again held that the franchise had expired and dismissed the bill. The case then went to this Court which reversed the Court of Appeals.

The Court of Appeals stayed its mandate in the first case, awaiting the decision of this Court in the second case. After the decision of this Court, the Court of Appeals vacated its decree in the first case.

This case is not in conflict with the present case because in the Omaha case the second bill was against the *same defendant under the identical question of its franchise and the Court of Appeals had stayed its mandate in the first case awaiting*

*this Court's decision in the second case.* The Court of Appeals specifically held that it could not and would not have considered the bill of review (treated as a petition for rehearing) except for said stay. After reviewing the authorities, the Court said (p. 855) :

"To be sure, the object we had in mind at the time of staying the mandate was to await the action of the Supreme Court. Our jurisdiction, however, was not confined to such intention. So long as we retained the case, it was subject to our full appellate power, including the correction of our decree.

The case is, therefore, still pending in this Court. \* \* \* We entered our stay for the purpose of determining what mandate should be issued."

The Court of Appeals then proceeded to say that inasmuch as *during the stay of its mandate*, this Court had rendered its decision, it was therefore clearly its duty to then issue its stayed mandate in harmony with the decree and mandate of this Court (p. 856).

In the present litigation, the decision of this Court sustaining the patent was in another case involving an entirely different defendant and to which the present respondent was not a party. Furthermore, the mandate of the Court of Appeals for the Third Circuit had issued and the present petitioner had had entered in the lower Court pursuant thereto its decree which was final so far as the patent is concerned.

It is clear, therefore, that the decision of the Third Circuit Court of Appeals herein complained of is in no way in conflict with the decision of the Eighth Circuit Court of Appeals in the Omaha case.

*Other Erroneous Positions of Petitioner.*

On page 15 of its brief therein, the petitioner contends that the Court of Appeals erred in holding the decree in *Baldwin vs. Grier* herein involved, to be a consent decree. We do not understand that the Court of Appeals based its decision on any such finding. The Court of Appeals called attention to the fact that the decree was entered on the motion of petitioner's counsel and that "it would seem that there is substantial ground for contending that when the plaintiffs themselves took the matter into their own hands and themselves prepared, moved, and had entered the decree which dismissed their patent bill, such voluntary action on their part in entering the decree in favor of their adversary was not only in form but in substance, and by a positive act on their part a consent, and, so far as they were concerned, a consent decree."

This we do not understand to be a positive finding, and in the following paragraph the Court of Appeals immediately passes this question by. The Court of Appeals undoubtedly did consider this act of the petitioner as having a bearing on the equities of the case, but its decision is certainly not based on any such particular finding.

The plaintiffs caused the decree of January 5, 1916, to be entered at the very time the writ of *certiorari* in the *Abercrombie and Fitch* case was pending in this court, that petition having been filed December 20, 1915, and granted January 10, 1916. Manifestly, it had the decree entered at that time, in order to avail itself of the benefit of that

part of the decree in its favor, to wit, the provision for an accounting on the issue of unfair competition. Before entering this decree, the petitioner had waited nearly a year after the mandate of the Court of Appeals. There was no obligation upon the petitioner to enter the January 5, 1916, decree at that particular time, when it knew that the defendant's petition for writ of *certiorari* to this Court had been submitted and would shortly be acted upon. It is clear, therefore, that the petitioner at that time deliberately chose to terminate the proceedings with respect to patent infringement and to proceed with its accounting on the issue of unfair competition. The petitioner is therefore precisely in the situation condemned by Justice Fuller in the case of *Hoffman vs. Knox, supra*, in which he said (p. 191):

"And if these complainants chose to acquiesce in the allowance of these claims under these statutes, they had a perfect right to do so, but ought not now to be allowed, in view of a decision rendered eighteen months after this decree, to say that error was committed in particulars which they waived by their conduct. *They could not approbate and reprobate at the same time*, and in the interest of the stability of judicial decision, their want of diligence ought to be held fatal to their application." (Italics ours.)

On page 17 of its brief, the petitioner states that the Court of Appeals "recognizes the inequities created by its decision." We do not find this in the Court's opinion. On the contrary, the Court clearly finds that the complainants have no cause for complaint since the situation is one of their own creation. The petitioner also attempts to excuse its

failure to take any of the steps which the Court of Appeals suggested it might have taken, by speculations as to what the Court of Appeals might or might not have done. That failure, however, is not explained and cannot be explained, as the petitioner made no attempt whatever to prevent the situation which has arisen, but, on the contrary, as above pointed out, expressly created the possibility of the situation by entering the decree of January 5, 1916, without awaiting the decision of this Court on the petition for writ of *certiorari* in the Abercrombie and Fitch case.

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On page 19 of the brief, the petitioner argues that "defendant has suffered no injury and the plaintiff has gained no advantage by the course which has been pursued."

This is not a correct statement since, as above pointed out, the defendant, if it must now account, has certainly suffered injury by being led to believe that it could safely follow the decree of January 5, 1916. The defendant cannot now, without additional injury, be placed back to the position it would have occupied on January 5, 1916, had that decree adjudged it to infringe the patent.

On page 35 of its brief, petitioner argues that no change has occurred in the status of the parties since the entry of the original decree, and that there are no facts present which make this bill of review inequitable.

Manifestly, the entry of the decree itself was a change in the status of the parties, since by that decree the bill of complaint was dismissed so far as all questions of patent infringement were con-

cerned. By that decree, the defendant was judicially informed that it might proceed with impunity in the conduct of its business with respect to the patented lamp structures which had been complained of. This status, produced by the entry of the said decree of January 5, 1916, by which the defendant was assured of its position, manifestly continued to exist, to the great peril of this defendant if petitioner's present contentions are correct. Certainly, the defendant could rest upon this fact alone so far as any showing of a change in status was necessary. To now attempt to put defendant back to January 5, 1916, and compel it to account for any profits it may have been induced to make by the decree of that date, is inequitable.

On page 37 of its brief, the petitioner argues that the defendant must have been fully advised of the proceedings in the *Justrite* case, stating that the president and superintendent of the *Justrite* Company testified for defendant. This statement is made off the record. The record which the petitioner has brought to this Court contains no such showing.

### **Conclusion.**

As hereinbefore stated, the effect of allowing the bill of review would be to destroy the stability of judicial decisions for which the Courts have always striven. The Court of Appeals for the Third Circuit in holding that a bill of review did not lie, did not ignore the decision of this Court in the New York litigation and hold that the Baldwin reissue patent is invalid in the Third Circuit with respect to the public at large. The Court of Appeals con-

fined their decision to the rights of the individual litigants under the particular circumstances of this case.

We submit that the Court of Appeals for the Third Circuit was correct in its findings in this case. It followed precisely the principles laid down by this Court in *Scotten vs. Littlefield* and cases therein cited, and applied them to the facts in this case.

The decree dismissing the bill as to the Baldwin patent is final and conclusive, and renders this defendant forever immune.

This defendant stands in the very same position with respect to the Baldwin patent as the Goodyear Tire and Rubber Company stood with respect to the Grant patent in the rubber-tire litigation, and in the same position as Kessler and his customers stood by reason of the final decision in Indiana in his favor in the cigar-lighter litigation.

Respectfully submitted,

C. P. BYRNES,  
GEO. H. PARMELEE,  
GEO. E. STEBBINS,  
*for the Respondent.*

April 9, 1921.



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No. 932

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Clerk.

# Supreme Court of the United States

OCTOBER TERM, A. D. 1919.

JOHN SIMMONS COMPANY,

*Petitioner,*

*vs.*

THE GRIER BROTHERS COMPANY,

*Respondent.*

On Petition for Writ of Certiorari, directed to the United States Circuit Court of Appeals for the Third Circuit.

## BRIEF FOR THE RESPONDENT, THE GRIER BROTHERS COMPANY.

C. P. BYRNES,  
GEO. H. PARMELEE,  
GEO. E. STEBBINS,

*Counsel for Respondent.*

## INDEX.

	Pages
Statement of the Case .....	1-5
The Cases cited by Court of Appeals holding a bill of review does not lie, are the law of the case .....	5-13
A bill of review in present Circumstances would be destructive of the stability of judicial decisions..	13-14
No conflict between decision of Third Circuit Court of Appeals and decision of Eighth Circuit Court of Appeals in Omaha case.....	14-16
Decision of Third Circuit Court of Appeals on bill of review herein not contrary to decision of this Court in Henry vs. Dick.....	16-21
Court of Appeals did not hold decree against which bill was filed was a consent decree.....	21-22
Court of Appeals for Third Circuit correct in hold- ing that decree entered on its mandate was final as to the patent.....	22
Conclusion .....	22

## CASES CITED.

Consolidated Rubber Tire Co. vs. Diamond Rubber Tire Co.—162 Fed. 892 .....	19
Diamond Rubber Tire Co. vs. Consolidated Rubber Tire Co.—212 U. S. 574.....	20
Dowagiac vs. McSherry Manufacturing Co.—155 Fed. 524.....	16
Harburg vs. Arnold—87 Missouri Appeal Rep. 328.....	11
Henry vs. Dick—224 U. S. 1 and 244 U. S. 631.....	16
Hill vs. Phelps—52 Fed. 650.....	10
Hill vs. Chicago & Evanstown Ry. Co.—140 U. S. 52.....	22
Hoffman vs. Knox—50 Fed. 481.....	8
Kessler vs. Eldred—206 U. S. 285.....	17
King vs. Dundee Mortgage & Trust Investment Co.— 28 Fed. 33 .....	10
Miller vs. Tyler—58 N. Y. 477, 480.....	10
Omaha Electric Light Co. vs. City of Omaha—216 Fed. 848 .....	14
Rubber Tire Wheel Co. vs. Goodyear Tire & Rubber Co. —187 U. S. 641 .....	20
Rubber Tire Wheel Co. vs. Goodyear Tire & Rubber Co. —214 U. S. 512 .....	20
Scotten vs. Littlefield—235 U. S. 407.....	7
Tilghman vs. Werk—39 Fed. 680.....	6

# Supreme Court of the United States

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JOHN SIMMONS COMPANY,  
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COMPANY,  
Respondent.

On Petition for Writ of Certiorari, directed to the United States Circuit Court of Appeals for the Third Circuit.

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## Statement of the Case.

There is no conflict between the decision of the Third Circuit Court of Appeals holding that a bill of review did not lie in this case, and any decisions of the other Circuits or of this Court. Neither is there any new or general question of law presented.

The Court of Appeals held that the *specific facts* of the present case did not entitle the petitioner herein to a bill of review. As stated by the Court of Appeals in their opinion (Tr., p. 100), "The question before us is whether, under the facts and circumstances of this case, the bill of review would lie."

The facts in the present case are briefly as follows:

The plaintiff Baldwin had brought suit against one Bleser in Illinois on the original Baldwin patent No. 821,580. In that case the Court of Appeals for the Seventh Circuit, in April 1912, held the patent not infringed by the Bleser Lamp (119 Fed. 133.) Following the authority of the decision of the Seventh Circuit Court of Appeals in the Bleser case, and not until after that decision, the present defendant, The Grier Brothers Company, began the manufacture of its miners' lamps containing the structure complained of.

In February 1913, Baldwin applied for a reissue of his original patent, which reissue, No. 13,541 here involved, was granted on March 11, 1913. Baldwin and John Simmons Company brought the present suit on the reissue on October 4, 1913, joining in the bill of complaint the allegations of infringement of the patent and also of unfair competition. The District Court held the patent infringed and the defendant guilty of unfair competition (215 Fed. 735). Upon appeal, the Court of Appeals for the Third Circuit affirmed the District Court as to unfair competition, but reversed it as to the patent, holding the reissue claim in suit to be invalid (219 Fed. 735).

The opinion of the Third Circuit Court of Appeals was handed down on January 22, 1915, and the mandate was sent down on February 24, 1915. The plaintiffs did nothing in this case for about a year, when on January 5, 1916, the plaintiffs caused to be entered in the lower Court a decree, the sixth paragraph of which was as follows:

"6th. That the bill of complaint herein as

to infringement of reissue letters patent No. 13,542 in suit be and the same hereby is dismissed."

This decree also ordered an accounting for unfair competition.

The plaintiffs by the entry of this decree abandoned their claim of infringement against the defendant and proceeded with an accounting for unfair competition. Except for the accounting on unfair competition the plaintiffs did nothing further in this case until two years later, when on January 26, 1918, they applied to the District Court for leave to file the bill of review against the decree which they had entered dismissing the suit as to the patent.

The circumstances and time of the entry of the decree in the suit against the respondent have a peculiar relationship to the litigation in the Second Circuit involving the same patent;—a relationship which, as found by the Third Circuit Court of Appeals, disentitles the plaintiffs to any equities in their attempted bill of review.

The plaintiffs, Baldwin and John Simmons Company, on May 20th, 1913, filed a bill in the Southern District of New York against third parties, namely, Abercrombie & Fitch Co. and Justrite Mfg. Co. The District Court held the reissue patent valid and infringed (227 Fed. 455), which decision was affirmed by the Second Circuit Court of Appeals on November 9, 1915 (228 Fed. 895). Thereupon the *defendants* in the New York litigation petitioned this Court for a writ of *certiorari* on December 20, 1915. This petition was granted by this Court on January 10, 1916.

It was in this interval between December 20, 1915, and January 10, 1916, that the plaintiffs, the present petitioners, had entered in the present suit against The Grier Brothers Company, the decree dismissing the bill as to infringement of the Baldwin reissue patent. The plaintiffs were fully cognizant that the defendants in the New York suit had the petition for *certiorari* pending before this Court alleging conflicting decisions between the Second and Third Circuits. Nevertheless the plaintiffs of their own volition entered the decree dismissing the bill as to the Baldwin patent against the respondent, The Grier Brothers Company.

*Plaintiffs did not file any petition for certiorari in the instant case either at this time or at any time. When they caused the decree to be entered herein, the petition in the New York case was actually pending here. Yet they deliberately chose to and did abandon all rights against the respondent, under the patent, by this deliberate entry of the decree.*

Even after this Court granted the petition for *certiorari* in the suit in the Second Circuit, the plaintiffs made no attempt to bring the suit in the Third Circuit before this Court on *certiorari* but accepted the decree which they had entered dismissing the bill as to the Baldwin patent and proceeded with the accounting on the unfair competition branch of the case.

This Court acting upon the writ of *certiorari* in the Second Circuit case, affirmed the Court of Appeals for the Second Circuit (245 U. S. 198). Thereafter, on January 26, 1918, the petitioners made application for leave to file a bill of review to vacate the decree which they had had entered dis-

missing the bill as to the Baldwin patent in the suit against the respondent, The Grier Brothers Company. The District Court granted the prayer of the bill and vacated the decree of January 5, 1916, as to the dismissal of the bill on the question of patent infringement, ordering not only an injunction against the respondent, but also an accounting covering the entire period including the time when the decree dismissing the bill as to the patent was in force.

On appeal, the Court of Appeals for the Third Circuit reversed the District Court and held that a bill of review did not lie in view of the particular facts of this case.

**The cases cited by the Court of Appeals in holding that a bill of review does not lie, are the law of the case.**

The Court of Appeals in its decision holding that a bill of review did not lie in the present situation referred to the decision of this Court in *Scotten vs. Littlefield*, 235 U. S. 410, and the cases of *Tilghman vs. Werk*, 39 Fed. 680, and *Hoffman vs. Knox*, 50 Fed. 481, therein cited by this Court.

It is well settled that "no bill of review shall be admitted except it contains either error in law appearing in the body of the decree, without further examination of matters of fact, or some new matter which hath arisen on time after the decree" (Lord Bacon's Fourth Ordinance on the law of equity).

*These decisions expressly hold that the contrary decision of another Court does not constitute either*

*error in law appearing in the body of the decree, or some new matter of fact arising after the decree, for the purpose of a bill of review.*

The case of *Tilghman vs. Werk*, 39 Fed. 680, quoted with approval by this Court in *Scotton vs. Littlefield*, clearly declares the law controlling this case. That case was a patent case which the defendant won in the Circuit Court, the Court in making its decision following the decision of this Court in *Mitchell vs. Tilghman*, 19 Wallace 287. Subsequently in the case of *Tilghman vs. Proctor*, 102 U. S. 707, this Court changed its views of the same patent. On the basis of the decision in *Tilghman vs. Proctor* it was sought to obtain a bill of review to modify the decree in the *Tilghman vs. Werk* case in conformity thereto. Judge Jackson (afterwards Justice Jackson), denying the application for a bill of review, said (p. 682) :

"The question is presented whether a change of its ruling or decision by the Supreme Court on a question of law or fact, or upon a mixed question of law and fact, constitutes such new matter as will sustain a bill of review to vacate decrees of the Circuit Court pronounced before such change was made. We think, upon principle and authority, this proposition cannot be maintained. The cases cited and relied on by counsel for complainant do not, in our opinion, sustain his contention. Such a rule would prolong litigation greatly, and render judicial decisions unstable in the highest degree. The weight of authority, as shown in the cases cited by counsel for respondents, is against this position of complainant's counsel."

The above decision was quoted with approval in this Court in the recent case of *Scotton vs. Lit-*



*Littlefield*, 235 U. S. 107. It also forms a complete precedent in the present case.

In the *Scotten vs. Littlefield* case the decisions of the District Court and the United States Circuit Court of Appeals for the Second Circuit appear in 213 Fed. Rep., pp. 701-5, under the title "*In re Brown et al.*," and "*In re A. E. Brown & Co.*."

In that case, the facts were as follows:

The firm of Brown & Co. was in bankruptcy. Scotten filed a claim for reclamation of certain shares of stock which the bankrupts had held as security. The special master denied the petition, and his decision was affirmed by the District Court. An appeal was then taken to the Court of Appeals for the Second Circuit, alleging error of the District Court in holding that the petitioners had not sufficiently traced and identified their property. The Court of Appeals affirmed the District Court (193 Fed. 34); and this Court affirmed the Court of Appeals (226 U. S. 110).

In a separate proceeding one Gorman raised a similar claim with reference to other shares of stock. This was denied by the lower tribunals, and their decision was affirmed by the Court of Appeals for the Second Circuit on the ground that the claimant had not sufficiently identified his stock (184 Fed. 154). From that decision an appeal was taken to this Court which held that there *was* sufficient proof of identity of the stock and reversed the decisions of the lower tribunals. (*Gorman vs. Littlefield*, 229 U. S. 19).

The claimants in the Scotten case then filed a bill of review, alleging that if the rule enunciated

in the Gorman case had been applied in their case, their claim would be held proved.

The motion for leave to file the bill of review was denied by the District Court and by the Court of Appeals for the Second Circuit. The case was then taken to this Court and we quote as follows from its decision (235 U. S. 407-410) :

"Bills of review are on two grounds; first error of law apparent on the face of the record without further examination of matters of fact; second, new facts discovered since the decree, which should materially affect the decree and probably induce a different result. 2 *Bates' Federal Equity Procedure*, 762; *Street's Federal Equity Practice*, Vol. 2, 2151.

If the decision in the Gorman case would have required a different result if the principles upon which it was decided had been applied in the original proceeding, which we do not find it necessary to decide, *such subsequent decision will not lay the foundation for a bill of review for error of law apparent, or for new matter in pais discovered since the decree, and probably requiring a different result.* *Tilghman vs. Werk*, 39 Fed. 680 (opinion by Judge Jackson, afterwards Mr. Justice Jackson of this court); *Hoffman vs. Knorr*, Circuit Court of Appeals, Fourth Circuit, 50 Fed. 484, 491 (opinion by Chief Justice Fuller.)

The decree of the Circuit Court of Appeals is affirmed." (Italics ours.)

In the case of *Hoffman vs. Knorr* (cited in *Scotten vs. Littlefield*, and reported in 50 Fed. Rep. 484), the Court held that where a decree fixed the priority claims against an insolvent corporation under the authority of an act of a State Legislature, the question of the validity of the act not being raised at the time, a bill of review did not lie

for apparent error, because the act was subsequently adjudged unconstitutional and void by the state Courts on the ground of a defective title and although such a decision is usually as conclusive as a ruling of the Supreme Court itself. This decision was written by Chief Justice Fuller of the Supreme Court when he was sitting in the Court of Appeals for the Fourth Circuit.

Mr. Justice Fuller said (p. 491) :

"And if these complainants chose to acquiesce in the allowance of these claims under these statutes, they had a perfect right to do so, but ought not now to be allowed, in view of a decision rendered eighteen months after this decree, to say that error was committed in particulars which they waived by their conduct. They could not approbate and reprobate at the same time, and, in the interest of the stability of judicial decision, their want of diligence ought to be held fatal to their application."

\* \* \* \* \*

"After having proceeded upon the theory of the validity of these laws, they came forward with their bill of review to obtain a reversal of so much of the decrees as was opposed to their interests, leaving what was made in their favor to stand. We are of the opinion that they were called upon to present their contention before, if they intended to insist upon it. Cases are not to be tried by piecemeal, and it would open a wide door to persistent litigation if parties should be permitted to lie back, and then renew controversies in this manner.

The decrees of the circuit court appealed from are reversed, and the cause remanded, with a direction to dismiss the petition for rehearing or bill of review, and for further proceedings upon the basis of the finality of the decrees of

September 8 and October 14, 1887, in conformity to this opinion."

To the same effect is *King vs. Dundee Mortgage & Trust Investment Co.*, 28 Fed. 33, where the syllabus says :

"A decree of the United States Circuit Court will not be reversed, on a bill of review therein, because in the meantime the state court has put a construction on a clause of the state constitution contrary to that of the circuit court in making said decree."

See also *Hill vs. Phelps*, 101 Fed. 650, and *Duwagiac vs. McSherry Manufacturing Co.*, 155 Fed. 524, citing *Hill vs. Phelps*, etc.

The State Courts also follow the same principles in refusing to re-open a previously tried suit because of a subsequent contrary decision in another case. In the case of *Miller vs. Tyler*, 58 N. Y. 477, 480, the Court said :

"By the consent, or, which is the equivalent of a consent, by the default of the appellants and their voluntary act in omitting to oppose the motion, the judgment was modified so as to entitle the plaintiffs to coin at their option, instead of legal tender notes, in payment of the mortgage debt. This was in conformity to the legal rights of the parties, as then well understood, and as they had been adjudicated by the highest court of the nation. The reconsideration of the question by the Supreme Court of the United States, with a result adverse to its first judgment, did not affect the existing judgments of State courts, or call for a modification and change of their records to meet the changed views and judgment of that court. A contrary doctrine would lead to the absurd necessity of correcting and modifying all judg-

ments, whether existing and in force or satisfied and fully executed, upon the enunciation by a court of superior authority of a doctrine in conflict with and legally subversive of the principles upon which they were rendered."

In *Harburg vs. Arnold*, 87 Missouri Appeal Reports, 328-329, the Court said:

"But if anything further may be said in order to put the question beyond dispute, it is: that there must be an end to litigation, and that when a litigant has once been heard in the trial court, judgment rendered against him, and appeal had to the highest court under the organic law of the land to which he may go, and that judgment fully, in all essentials, affirmed, he cannot be permitted to renew his contention under the specious plea that the constitutional light which the appellate court was bound to follow committed an error in the first place."

The petitioner tries to distinguish from these cases by the specious argument that in the case at bar there was error *ab initio* in the original decree of the Third Circuit Court of Appeals, whereas in the cited cases the original decrees were correct and were afterwards made erroneous by subsequent controlling decisions. The fallacy of this argument is apparent. If the reasoning applied by the petitioner to this case is applied to the cited cases, it would seem that the original decrees in the cited cases would have to be considered erroneous. If the second decision of this Court in the *Tilghman vs. Proctor* case was correct, then the previous decision in the *Mitchell vs. Tilghman* was wrong and was wrong *ab initio*. In the case of *Hoffman vs. Knor* the statute was unconstitutional from the be-

ginning. The decision of the Court did not make a constitutional statute unconstitutional, but merely declared its unconstitutionality.

These cases are on all fours with the present case in holding that a subsequent contrary decision in another suit is not a ground for a bill of review to bring back and re-try a previously-acquitted defendant upon the same charge.

We submit that the authorities are decisive upon the question here presented, and that the Court of Appeals was correct in stating it was following the decisions made or approved by this Court. We have been unable to find any case, and we believe no case exists, wherein a defendant in a case in tort having first been absolved by a final decree, has been subsequently brought back into court and held under the same charge.

While the petition *to this Court* alleges that the bill of review is based on an *error of law* appearing on the face of the decree of January 5, 1916, *an examination of the bill of review shows that it contains no allegation of error of law.* On the contrary, the bill of review recites *as its sole basis* "that *new facts* have arisen since said decree was entered" (Paragraph 6, Tr. p. 19). The petitioner's shift to another theory before this court is virtually an admission that the "new facts" as alleged in the bill of review are not a proper basis therefor.

**A bill of review in the present circumstances would be destructive of the stability of judicial decisions.**

If a bill of review should properly lie in the present case, then not only would the effect of such a practice be to destroy the stability of judicial decisions, but no acquitted defendant in a patent case would ever be safe in proceeding in accordance with the mandate of the highest Court of his jurisdiction, so long as there remained any circuit in which the patent had been unadjudicated.

*Under such a theory, so long as there remained anywhere the possibility of a case reaching this Court, and of a decision of this Court sustaining the patent involved, all other defendants would be in jeopardy notwithstanding any final decrees which they had obtained in their favor.*

The petitioner's allegation that the defendant should have been apprised of the proceedings in the Second Circuit is wholly irrelevant and immaterial. We know of no rule of law or equity which would compel any defendant in whose favor a final decree has been entered by the Court of last resort in his jurisdiction to watch all other possible proceedings against other defendants in other Circuits. Certainly, a defendant in the position of the present defendant, on entering the decree dismissing the bill on the issue of infringement, was fully justified in acting pursuant to that decree. If such a defendant is compelled to take notice of all litigation which may be pending against other defendants in other jurisdictions and await its final outcome, his established business must irreparably suffer.

**There is no conflict between the decision of the Third Circuit Court of Appeals that a bill of review will not lie in this case and the decision of the Eighth Circuit Court of Appeals in the case of Omaha Electric Light Company vs. City of Omaha, as alleged by the petitioner.**

In the Omaha case (216 Fed. 848), a suit was brought by the Omaha Electric Light Company to enjoin the City of Omaha from interference with its power transmitting wires. The Court of Appeals for the Eighth Circuit held that the plaintiff's franchise had expired and refused to interfere with the action of the City. An appeal to this Court was dismissed because this Court held that no federal question had been raised. The Old Colony Trust Company, trustee under a mortgage of the Electric Light Company's property, brought suit against the City for the same purpose. The Court of Appeals again held that the franchise had expired and dismissed the bill. The case then went to this Court which reversed the Court of Appeals. The Court of Appeals thereupon vacated its decree in the first case.

This case is not in conflict with the present case because in the Omaha case the second bill was against the *same defendant under the identical question of its franchise and the Court of Appeals had stayed its mandate in the first case awaiting this Court's decision in the second case*. The Court of Appeals specifically held that it could not and



would not have considered the bill of review (treated as a petition for rehearing) except for said stay. After reviewing the authorities, the Court said (p. 855) :

"To be sure, the object we had in mind at the time of staying the mandate was to await the action of the Supreme Court. Our jurisdiction, however, was not confined to such intention. So long as we retained the case, it was subject to our full appellate power, including the correction of our decree.

The case is, therefore, still pending in this Court. \* \* \* We entered our stay for the purpose of determining what mandate should be issued."

The Court of Appeals then proceeded to say that inasmuch as *during the stay of its mandate*, this Court had rendered its decision, it was therefore clearly its duty to then issue its stayed mandate in harmony with the decree and mandate of this Court (p. 856).

In the present litigation, the decision of this Court sustaining the patent was in another case involving an entirely different defendant and to which the present respondent was not a party. Furthermore, the mandate of the Court of Appeals for the Third Circuit had issued and the present petitioner had had entered in the lower Court pursuant thereto its decree which was final so far as the patent is concerned. The petitioner, therefore, is wholly in error in its statement on page 14 of its brief accompanying its petition that there were "the same circumstances" in the case at bar as in the Omaha case.

**The decision of the Third Circuit Court of Appeals on the bill of review herein is not contrary to the decision of this Court in *Henry vs. Dick Co.*, as alleged by the petitioner.**

In the original *Henry vs. Dick case* (224 U. S. 1), the defendant, Henry, was held to be guilty of contributory infringement and a decree and injunction were entered by the plaintiff against him. The defendant, who later brought the bill of review against this decree, did not enter the decree of his own volition but as a defeated party was compelled to accept it. In the case at bar, the present petitioners had entered the decree which they now attempt to upset by a bill of review, and as we above pointed out, they had this decree entered at the very time when the defendant in another suit had a petition for *certiorari* pending before this Court on the same patent.

Moreover, in the case of *Henry vs. Dick* (244 U. S. 651), cited in the petition, the facts were precisely the reverse from those which exist here. In that case the defendant was under perpetual injunction not to do a thing which all other persons could lawfully do after the decision in the original case of *Henry vs. Dick* (224 U. S. 1) had been overruled by this Court in the case of *Motion Picture Patents Co. vs. Universal Film Co.* (242 U. S. 502). This Court in granting the motion for leave to file the bill of review took an opportunity to correct that peculiar and anomalous situation. In the present case, however, the defendant has been cleared of the charge against him by the plaintiffs entering the decree dismissing the bill as to the patent infringement. Defendant is, therefore, forever,

immune. The case of *Henry vs. Dick* is in line with other cases in which a defendant in view of newly discovered evidence has been permitted to file a bill of review for his relief. As above stated, however, we find no case in which plaintiff has been permitted to file a bill of review, the effect of which would be to bring the defendant back into Court and hold it for the very offense of which it has been acquitted.

The situation of the present defendant is not an anomalous situation as was that of the defendant Henry, in the *Henry vs. Dick* litigation. When a defendant has been charged with a *tort* and tried and cleared, he cannot again be attacked on the *same* charge. The principle of *autrefois acquit*, applicable to criminal cases, applies in a situation like the present one.

The present position is one which is inevitable in our patent system and is one which has arisen many times before where there have been conflicting decisions between different circuits. We need only refer to a few well-recognized instances, namely, the litigation on the Eldred cigar lighter patent and to the litigation involving the Grant tire patent which also came before this Court.

In the case of *Kessler vs. Eldred*, Eldred, who owned a patent, sued Kessler, a manufacturer of electric cigar lighters, in the District of Indiana. Non-infringement was found and the bill dismissed. That decision became final. Afterward Eldred brought suit against Kirkland, another manufacturer of similar devices, in the Western District of New York, and prevailed in the Circuit Court of Appeals for that circuit. Eldred then sued Breitweiser, a user of Kessler's lighters, in the same

New York District. During the pendency of the last-named suit, Kessler filed a bill in the Northern District of Illinois praying for an injunction against Eldred to enjoin him from prosecuting any suit against any user or purchaser of Kessler's cigar lighters, of the type which were involved in the suit against Kessler in Indiana. This Court, in its decision (206 U. S. 285), held that the original judgment conclusively settled the right of Kessler to manufacture and sell his goods free from all interference by Eldred.

The present defendant is in the same position that Kessler was in this case. The decree entered by plaintiff dismissing its bill against the defendant as to patent infringement conclusively settled the right of the present defendant to manufacture and sell its miners' lamp free from any further interference by the plaintiff.

The right of a defendant, in whose favor a decree has been entered absolving him of patent infringement, to continue the manufacture of the alleged infringed articles even after the patent had been held valid and infringed in a suit against a third party, is clearly again recognized in the celebrated Rubber Tire cases, in which the Grant patent was involved. The owners of the Grant patent brought suit in the Sixth Circuit against the Goodyear Tire & Rubber Company. The Court of Appeals for the Sixth Circuit held the patent in suit to be invalid and ordered the bill against the Goodyear Tire & Rubber Co. to be dismissed (116 Fed. 363). In suits brought against the Victor Rubber Company in the Sixth Circuit (123 Fed. 85), and against the Kokomo Rubber Company in the Seventh Circuit (not reported), the defendants

were also acquitted of the charge of patent infringement.

The owners of the patent subsequently went into the Second Circuit and brought suit against the Firestone Tire & Rubber Company and against the Diamond Rubber Co. In this Second Circuit litigation the Grant patent was held valid (147 Fed. 739; 151 Fed. 237; 157 Fed. 677; 162 Fed. 892). The defendant, Diamond Rubber Co., petitioned this Court for *certiorari*. Upon *certiorari* this Court held the Grant patent to be valid (220 U. S. 428).

In the litigation in the Second Circuit it was expressly recognized that no decree might be made which could affect the tires manufactured by the previously acquitted defendants in the Sixth Circuit.

Thus in the suit of the *Consolidated Rubber Tire Co. vs. Diamond Rubber Co.*, the Court of Appeals for the Second Circuit ordered that the injunction against the Diamond Rubber Company include the following provision:

"Nothing in this injunction shall prevent or is intended to prevent, or enjoin this defendant from handling, using and selling rubber tires and rims covered by the Grant patent, manufactured by the Goodyear Tire & Rubber Company, having a right to manufacture, use and sell such tires under a judicial decree in the federal courts of the Sixth Circuit; or manufactured by the Kokomo Rubber Company having a right to manufacture, use and sell such tires under a judicial decree in the district of Indiana, Seventh Circuit; or manufactured by the Victor Rubber Tire Company, under a judicial decree in a litigation in the federal courts in the Sixth Circuit, wherein in such litigations it has been judicially determined that the said Grant patent is invalid

and void." (*Consolidated Rubber Tire Co., et al. vs. Diamond Rubber Co.*, 162 Fed. 892-895.)

*This Court recognized this situation and refused to reopen by certiorari the previously tried Goodyear case.* After the case against the Goodyear Company had been decided against the validity of the Grant patent in the Circuit Court of Appeals for the Sixth Circuit, the plaintiff petitioned this Court for *certiorari*, which was denied (187 U. S. 641). This Court thereafter accepted the petition for *certiorari* brought by the defendant in the Diamond Rubber Tire case (212 U. S. 574). After the acceptance of *certiorari* in the Diamond case, the plaintiff sought by petition for *certiorari* to have this Court *reopen the decision in the Goodyear case.* This Court, however, denied the renewed petition for *certiorari* in the Goodyear case (214 U. S. 512), and thereby refused the *attempt by the plaintiff to again drag a previously acquitted defendant into Court upon the same charge of infringement.*

The situation of the present defendant is exactly analogous to that of Kessler in the *Kessler vs. Eldred* litigation and to that of the Goodyear Tire & Rubber Company in the Rubber Tire litigation. The present defendant has a right to rely, as did the defendants in these cases, upon the decree absolving it of the patent infringement. If the law were otherwise it would upset and destroy the stability of judicial decisions and would make it unsafe for any defendant manufacturer to accept and act upon a decree in his favor by his Court of Appeals. If a plaintiff could, as the plaintiff herein is endeavoring to do, come in years afterward and upset a final decree in favor of an acquitted defendant, then any defendant sued for the infringement of a patent must, in order to be safe, immediately

cease his manufacture of the article or device complained of. If he contested the suit and it was decided in his favor, just so long as there was any circuit remaining in which the plaintiff could find another alleged infringer, just so long would there be the same possibility of a decree in favor of the defendant being set aside and of his being adjudged an infringer as in this case. *At no time during the life of the patent in question could any defendant safely rely upon the final decision of the Court of Appeals for his Circuit.*

**The Court of Appeals did not hold that the decree against which the bill of review was filed, was a consent decree, as alleged in the petition.**

The Court of Appeals did not hold that the decree which the plaintiffs entered dismissing the bill as to the patent branch of the suit and ordering an accounting as to the unfair competition branch of the suit, was a consent decree. The Court held that it was in the nature of a consent decree in that its entry was a voluntary act upon the part of the plaintiffs. The plaintiffs had several courses open to them at the time they had the decree entered. They might have petitioned this Court for *certiorari*, they might have applied to the Court of Appeals to withhold the entry of its decree pending the action of this Court in the New York litigation, or they might have abstained from entering the decree in question. Having these several courses open before them, the plaintiffs, however, chose to enter the decree dismissing the bill as to the patent and get the benefit of the accounting as to unfair competition.

**The Court of Appeals for the Third Circuit was correct in holding that the decree entered on its mandate was final as to the patent infringement branch of the case.**

The case originally involved two branches, one for the infringement of the Baldwin patent and the other for unfair competition in the sale of the defendant's miners' lamps. These two branches of the case were severable and independent of each other.

The decree dismissing the bill as to the patent completely and finally disposed of the patent infringement branch of the suit. No further judicial action as to the patent was required. Neither was there any further question reserved as to the patent.

As stated by Blackstone (3 Black. Comm. 398) :

"Final judgments are such as at once put an end to the actions, by declaring that the plaintiff has either entitled himself, or has not, to recover the remedy he sues for."

The finality of a decree as to the matters finally determined by it is not affected by the fact that there may be a further *severable* matter left to be determined. *Hill vs. Chicago and Evanston Railroad Co.*, 140 U. S. 52.

### **Conclusion.**

As hereinbefore stated, the effect of allowing the bill of review would be to destroy the stability of judicial decisions for which the Courts have always striven. The Court of Appeals for the Third Cir-



cuit in holding that a bill of review did not lie, did not ignore the decision of this Court in the New York litigation and hold that the Baldwin reissue patent is invalid in the Third Circuit with respect to the public at large. The Court of Appeals confined their decision to the rights of the individual litigants under the particular circumstances of this case.

We submit that the Court of Appeals for the Third Circuit was correct in its findings in this case. It followed precisely the principles laid down by this Court in *Scotten vs. Littlefield* and cases therein cited, and applied them to the facts in this case.

The decree dismissing the bill as to the Baldwin patent is final and conclusive, and renders this defendant forever immune.

This defendant stands in the very same position with respect to the Baldwin patent as the Goodyear Tire and Rubber Company stood with respect to the Grant Patent in the rubber-tire litigation, and in the same position as Kessler and his customers stood by reason of the final decision in Indiana in his favor in the cigar-lighter litigation.

Respectfully submitted,

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May 25, 1920.